



0000090281

ORIGINAL

RECEIVED

FENNEMORE CRAIG, P.C.  
 Norman D. James (No. 006901)  
 Jay L. Shapiro (No. 014650)  
 3003 N. Central Ave.  
 Suite 2600  
 Phoenix, Arizona 85012  
 Attorneys for Chaparral City Water Company

Arizona Corporation Commission  
**DOCKETED**

NOV 12 2008

DOCKETED BY

**BEFORE THE ARIZONA CORPORATION COMMISSION**

IN THE MATTER OF THE APPLICATION  
 OF CHAPARRAL CITY WATER  
 COMPANY, INC., AN ARIZONA  
 CORPORATION, FOR A  
 DETERMINATION OF THE FAIR VALUE  
 OF ITS UTILITY PLANT AND  
 PROPERTY AND FOR INCREASES IN  
 ITS RATES AND CHARGES FOR  
 UTILITY SERVICE BASED THEREON.

DOCKET NO: W-02113A-07-0551

**NOTICE OF ERRATA**

Chaparral City Water Company, an Arizona corporation, hereby gives notice of certain errors that appear in the Rebuttal Testimony of Thomas J. Bourassa (Cost of Capital). These errors and the corrected testimony are as follows:

**On page 29, line 3, replace "See Ramirez DT at 34" with "See Chaves DT at 34"**

**On page 29, lines 5-6, replace "no more than 60 basis points – 120 basis points less" with "no more than 10 basis points – 170 basis points less"**

**On page 34, lines 9-10, replace "RISK ADJUSTMENT OF 50 BASIS POINTS" with "RISK ADJUSTMENT OF 10 BASIS POINTS"**

**On page 35, line 4, replace "downward financial risk of 60 basis points" with "downward financial risk adjustment of 10 basis points"**

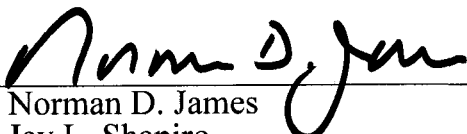
**On page 35, line 14, replace "60 BASIS POINT DOWNWARD FINANCIAL RISK ADJUSTMENT" with "10 BASIS POINT DOWNWARD FINANCIAL RISK ADJUSTMENT"**

**On page 35, line 19-22, replace "Staff's cost of equity would increase by 281 basis points to 11.61 percent. Staff's cost of debt would increase by 161 basis points to 5.41"**

1 percent. Staff's rate of return would increase by 250 basis points to 10.1. Staff's required  
2 operating income would increase by \$675,503 to \$2,731,334 from \$2,055,831." with  
3 "Staff's cost of equity would increase by 330 basis points to 12.11 percent. Staff's cost of  
4 debt would increase by 161 basis points to 5.41 percent. Staff's rate of return would  
5 increase by 288 basis points to 10.48. Staff's required operating income would increase  
6 by \$777,754 to \$2,833,585 from \$2,055,831."

7 DATED this 12th day of November, 2008.

8 FENNEMORE CRAIG, P.C.

9  
10 By   
11 Norman D. James  
12 Jay L. Shapiro  
13 3003 North Central Avenue, Suite 2600  
Phoenix, Arizona 85012  
Attorneys for Chaparral City Water Company

14 **ORIGINAL** and thirteen (13) copies  
15 of the foregoing were filed  
this 12th day of November, 2008, with:

16 Docket Control  
17 Arizona Corporation Commission  
1200 W. Washington St.  
18 Phoenix, AZ 85007

19 **Copy of the foregoing was hand delivered**  
this 12th day of November, 2008, to:

20 Teena Wolfe, Administrative Law Judge  
21 Hearing Division  
22 Arizona Corporation Commission  
1200 W. Washington St.  
23 Phoenix, AZ 85007  
24  
25  
26

1 Robin Mitchell, Esq.  
2 Legal Division  
3 Arizona Corporation Commission  
4 1200 W. Washington Street  
5 Phoenix, AZ 85007

6 Daniel W. Pozefsky, Esq.  
7 Residential Utility Consumer Office  
8 1110 W. Washington Street, Ste. 200  
9 Phoenix, AZ 85007

10  
11  
12 By: M House  
13 2130091.1/10696.016  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26